

**PIKE COUNTY PROJECT DEVELOPMENT BOARD**

**MEETING MINUTES**

**Pike County Courthouse  
Pikeville, Kentucky**

**December 6, 2007**

**PRESIDING OFFICER: Judge Eddy Coleman**

**MEMBERS OF THE BOARD PRESENT:**

**Magistrate Jeff Anderson  
City Manager/AOC Representative Donovan Blackburn  
Circuit Court Clerk David Deskins  
AOC Project Manager Jeff Lilly  
Citizen at Large Hon. Charles E. Lowe, Jr.  
District Judge Darrell Mullins  
State Bar Association Representative Neal Smith**

**OTHERS PRESENT:**

**Bobby Branham, Executive Assistant to Judge/Executive  
Rose Farley, Recorder  
Rhonda James, Commissioner of Finance**

**MEMBER OF THE BOARD ABSENT:**

**Judge/Executive Wayne T. Rutherford, Chair**

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Judge Eddy Coleman acted as Presiding Officer for the Pike County Project Development Board regular meeting on December 4, 2007, at 5:00 p.m., in the Pike County Fiscal Courtroom, Pike County Courthouse, 146 Main Street, Pikeville, Kentucky, in the absence of Judge/Executive Wayne T. Rutherford, Chair. The Pledge of Allegiance was observed by those present.

**Upon motion by Magistrate Jeff Anderson and second by Neal Smith, the board meeting minutes for November 1, 2007, were unanimously APPROVED.**

Marty Nemes with the Kentucky Construction Insurance Program came to present an insurance plan for the duration of construction of the new Judicial Center for Pike County and stated his program could possibly produce a 2 - 4% savings of the total cost. At this time, he asked for no formal vote from the Board but for authorization to work up numbers for coverage for the Judicial Center Project.

Neal Smith asked who would pay the premiums and Judge Charles E. Lowe, Jr., along with other board members, questioned whether this would enforce omission or obstruction of any local insurance carrier who had not had the opportunity to come before the Board. Jeff Lilly, AOC Project Manager, stated that while there would be nothing wrong with Mr. Nemes running figures for the project for the Board, there could be no action or vote taken on those numbers. He said this was only the second time he had heard of this program and he did not know Mr. Nemes would be attending today. Mr. Nemes agreed this program is a new one, being in existence for only two years.

Donovan Blackburn declared he had a conflict of interest since he is a board member of the City of Pikeville's insurance board. He deemed this to be a legitimate process allowing entities to save money but since he did not know Mr. Nemes would be in attendance at today's board meeting, he felt it limited the Board's reaction. Judge Charles Lowe stated he felt with only one insurance program, the Board was put in an awkward position, with which Mr. Smith concurred, yet he felt the numbers could be obtained if other carriers were alerted. Mr. Nemes stressed he understood this is not a commitment from the Board, but he did ask how serious the Board was to using this program. Judge Lowe stated again that the Board should handle this the same way it handled other decisions: by allowing other carriers to know about this.

Mr. Lilly explained this is not typically the norm; the Board does not pursue insurance or other service providers but they seek out the Board. He emphasized that each construction entity has its own coverage and its own insurance and all now are fully insured; this is submitted with the bid. When Mr. Smith asked the architect, Steve Sherman who was present in the audience, if he had heard of it before, he responded no. Judge Coleman suggested that Mr. Nemes give each board member his card and have the Board consider the program before any definitive answer is given. He stated if Mr. Nemes could perhaps come up with a proposal to save the County money, the Board would review it. Mr. Smith said if this is done, then it was appropriate to permit other people in insurance programs to know about it but Mr. Lilly said this would not be offered by any local insurance carrier.

Judge Coleman asked if the contractors or subcontractors would then drop their insurance and Mr. Nemes said they would not; that the contractors would not report their manhours on payroll for this specific job. When Mr. Smith mentioned Workers Compensation, Mr. Nemes replied that a close watch would have to be kept on the jobs to determine if the injury happened on that particular job. He presented several types of procedures and Judge Coleman said the Board would discuss those.

A partial summary of five reports from Thomas Collier, the appraiser hired by the Board, was presented to Judge Coleman and the other board members. These reports had been sent to the office of Judge/Executive Wayne T. Rutherford. Mr. Lilly said it was his understanding that the entire report had been turned in, with which Judge Coleman agreed, and he called for a brief recess to check with the Judge's office. At that point only two sections had been submitted to the Board by Rhonda James, Finance

Commissioner of Pike County. After review, Judge Coleman declared that he found only one appraisal of the property the Board was most interested in. Mr. Smith said he had spoken with Mr. Collier who was in his office today concerning the Raccoon Auto Sales property appraisal and Mr. Collier had said he had no information on the Pinson Hotel property. The owner, Robert Pinson, has been asked about this property and Mr. Smith said it was his understanding Mr. Pinson does not really want the County to acquire the property and Mr. Collier would have to appraise the property with whatever data he now has.

The pastor from the Grace Baptist Church was present and he was asked for comment by Judge Coleman. He said he only wanted to know if this church would have to be moved soon and Judge Coleman responded the Board would let him know if any decision made would affect him. Mr. Blackburn asked if some of the property owners could not contact the Board before the next meeting would that property be considered or was the committee supposed to go through the property owners. Mr. Lilly asked how many property owners had been spoken to and Mr. Smith said he had spoken with nearly all the Weddington heirs who had proved to be most cooperative about the sale and provided information. Also, he met with Lloyd Keene, Larry Keene and Peggy Schnell about the Raccoon property. He reported that Buddy Johnson will discuss sale of his property if his site is chosen, thereby making Mr. Pinson the only owner whose status is unknown. Mr. Lilly suggested first obtaining the appraisal number and then making Mr. Pinson an offer. When Mr. Smith said this is a property that might have to be condemned, Mr. Lilly said that sometimes happens.

Bobby Branham stated he had understood all appraisal reports were in and noted in the report Mr. Collier had local comps with a wide range of prices. Mr. Smith said actual numbers were needed and Mr. Branham said most of this was figured on square feet. Mr. Lilly said no one who did this would have comps in Pikeville; that comps would have to be brought in from outside. Mr. Branham said ten days ago the reports were promised in full by today but he did not see any actual appraisal in the reports. Judge Coleman suggested since the appraiser's reports might be completed by December 20 and Judge Rutherford would be in town then that a special meeting be held before January 3, 2008, the next regularly scheduled meeting. A motion was made to hold the meeting, but later withdrawn when it was found Mr. Lilly could not be in attendance.

Mr. Branham suggested having Judge Rutherford call a special meeting at another time but Mr. Lilly said the reports must be completed and distributed to each board member for review before any decision may be made. He said each member should study the information and return on January 3 to discuss it. Mr. Sherman said from past experience with this gentleman, he felt a little more time should be given since something must be obtained on the hotel; that information on the 20th would be of no use and he felt it would take until January 3. Mr. Smith said the best estimate from the hotel with information from the CPA would have to be used and reiterated that Mr. Pinson had informed him he was not interested in the County's acquisition of the hotel property.

Mr. Lilly emphasized if Judge Rutherford receives the appraiser's reports before January 3 that only board members should see this data as well as he, Mr. Sherman and Ryan. He said a meeting could be called after January 3 if no information has been received by that time. Judge Darrell Mullins said to wait to see which properties were discussed. David Deskens asked the status of the street property and was told there was no information on that yet.

With no further business before the Board, Judge Coleman ADJOURNED the meeting.

Respectfully submitted,

Rose Farley, Recorder